

Message Text

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SUBJ: PRESIDENT VELASCO DISCUSSES CERRO DE PASCO

1. DURING COURSE OF 70- MINUTE PRESS CONFERENCE YESTERDAY (AUG 24) PRESIDENT VEASCO DISCUSSED GOP PLANS FOR NEGOTIATIONS WITH USG AND CERRO DE PASCO.

2. ACCORDING LOCAL NEWSPAPER ACCOUNTS VELASCO SAID GOP EXPECTS NEGOTIATING TEAM HEADED BY PRIME MINISTER MERCADO TO CONTINUE TALKS NEXT MONTH WITH U.S. PRESIDENTIAL EMMISSARY GREENE, AND THAT WHILE CERRO HAD NOT BEEN DISCUSSED SPECIFICALLY (SIC) AN ATTEMPT WILL BE MADE TO ARRIVE AT MUTUALLY ACCEPTABLE COMPENSATION FIGURE. HE THEN SAID IF NO FIGURE CAN BE AGREED ON, THEM (IN EXPRESO VERSION) "PERU WILL HAVE TO ASSUME CONTROL" OF CERRO PROPERTIES. SLIGHTLY DIFFERENT LA PRENSA VERNON IS THAT "IF THERE ARE NO RESULTS (FROM THE NEGOTIATIONS) WHICH FAVOR PERU, WE WILL HAVE TO TAKE CERRO DE PASCO." LOCAL AP REPORTER HOWEVER, RECALLS THAT THIS STATEMENT WAS "IF THERE ARE NO RESULTS, THE GOVERNMENT WILL BE OBLIGATED TO TAKE IT OVER, EVEN IF THIS MEANS BY FORCE."

3. FOLLOWING IS OFFICIAL TRANSCRIPT OF THREE QUESTION AND UNCLASSIFIED

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ANSWERS DURING PRESS CONFERENCE WHICH DEALT WITH CERRO NEGOTIATIONS.

Q. MR. PRESIDENT: PUBLIC OPINION IS TALKING A LOT ABOUT CERRO DE PASCO QUESTION. THERE IS TALK ABOUT NEGOTIATIONS. WHAT CAN YOU TELL US ABOUT THIS?

A. CERRO DE PASCO IS A COMPANY THAT HAS BEEN IN PERU FOR MANY YEARS. ITS WORKERS DISLIKE IT. MANAGEMENT.....AND I HAVE THOLD THEM SO, SEEMS TO BE AFRAID TO APPROACH ITS WORKERS IN ORDER TO ACHIEVE AGREEMENT AND PROMOTE THEIR WELL-BEING. THAT IS WHY THE (CERRO) HAVE HARVESTED THE ANTIPATHY OF THE WORKING CLASS. THE COMPANY HAS NOT OBEYED CERTAIN ASPECTS OF THE LAW. ONE OF THESE, FOR EXAMPLE, IS THE BUILDING OF DECENT HOUSING FOR THE MINERS. LIFE IN THE MINE IS HARD. IN ALL PARTS OF THE WORLD, MINERS RECEIVE SPECIAL ATTENTION, FOR THEIR HEALTH, THEIR DIET AND THEIR HOUSING. IT HAS BEEN DIFFERENT HERE. THEIR (MINERS) LIFE HAS ALWAYS BEEN INHUMAN. WE ARE IN A REVOLUTIONARY PROCESS AND THE GOVERNMENT HAS THE OBLIGATION TO RESOLVE THEIS SITUATION.

Q. MR. PRESIDENT, I AM GOING TO ASK ABOUT A PREVIOUS REPLY OF YOURS. THE SUBJECT IS CURRENT: IT IS THE NEGOTIATIONS WITH CERRO DE PASCO, ITS VALUATION, ETC.

A. WE ANNOUNCED RECENTLY THAT GOP HAS ACCEPTED DIALOGUE WITH USG CONCERNING THE SITUATION OF CERTAIN AMERICAN INVESTMENTS IN PERU. MR. GREENE CAME FROM WASHINGTON. HE WILL BE BACK SOON. ON THE PERUVIAN SIDE, A TEAM HEADED BY GENERAL MERCADO JARRIN AND FOUR MINISTERS DEFENDS THE PERUVIAN THESIS. UP TO NOW, CERRO CASE HAS NOT BEEN DISCUSSED SPECIFICALLY. BUT I ASSUME THAT IT WILL BE THE SUBJECT OF FUTURE CONVERSATIONS. WE WANT AN AMICABLE AGREEMENT. BUT IF ONE IS NOT REACHED IN THIS WAY, WHAT IS THERE LEFT FOR US TO DO? THIS IS A REVOLUTION AND PERU WILL HAVE TO ASSUME CONTROL.

Q. I UNDERSTAND MR PRESIDENT, THAT THE CERRO NEGOTIATIONS INVOLVE TWO REALITIES, THE FIRST, IS THE APPRAISAL THAT CERRO DE PASCO ITSELF HAS GIVEN TO ITS INSTALLATIONS. THE SECOND IS THE ONE THE GOVERNMENT, BASED ON ITS OWN CRITERIA, HAS COME UP WITH. MY QUESTION IS, WILL THE GOVERNMENT'S OFFICIAL APPRAISAL
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PREVAIL IF AN AGREEMENT IS NOT REACHED?

A. THE GOVERNMENT HAS NAMED ITS EXPERTS AND KNOWS FULLY HOW MUCH CERRO'S INSTATLLATIONS ARE WORTH. MANAGEMENT, LOGICALLY, RAISES THE VALUE OF ITS HOLDINGS AND WANTS A VERY DIFFERENT APPRAISAL. WE WILL TRY TO REACH A JUST FIGURE. BUT NATURALLY, PERU HAS TO DEFEND ITS POSITION AND WILL PAY WHAT IT IS TRULY WORTH, AND NOT A PENNY MORE...

BARNEBEY

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